INVADER EXPLORATION INC.

1999 Annual Report

INVADER

EXPLORATION INC.

Corporate Profile

Invader Exploration Inc. *is an oil and gas company based in Calgary, Canada and listed for trading on the Canadian Venture Exchange (Symbol INX). The management and directors of Invader have extensive technical, financial and entrepreneurial expertise and a proven track record of successful ventures.*

The Company will utilize exploration and development drilling as the primary tool for growth and will focus its efforts on natural gas exploration within the southern United States, an area with great potential for exploration success and high demand and price for the reserves found. The Arkoma Basin located in Oklahoma and Arkansas was selected as the Company's initial exploration area. A second exploration area in South Texas has recently been established. The Company has acquired a significant land base and has an extensive inventory of drilling prospects.

Annual Meeting

The Company has scheduled an Annual and Special Meeting of the Corporation to be held at the offices of the Corporation at 1980, 700 – 4th Ave., S.W., Calgary Alberta at 9:00 AM on September 26th, 2000. All shareholders are invited to attend the meeting.

Table of Contents

President's Message to the Shareholders

Invader's goal for 1999 was to begin exploration and development of the Company's land and prospect inventory and in so doing to establish proven reserves, production and cash flow. We are pleased to report the results of our efforts to accomplish these goals during the past year and discuss our plans for 2000 and beyond.

Review of Operations

During the year the Company focused its efforts on the evaluation of a number of its existing prospects in the Arkoma Basin and in south Texas. The following is a brief description of the project areas and the results of activities conducted during 1999:

The Arkoma Basin Project

The Arkoma Joint Venture (JV) has combined the technical and financial abilities of four Calgary based public companies, each with a 25% working interest, in order to evaluate and develop an extensive under-explored, natural gas prone Basin located in eastern Oklahoma and western Arkansas. General basin mapping has been completed utilizing over 6,000 miles of regional 2-D seismic and over 100 prospect leads have been identified. Over 50,000 acres (12,500 net) of prospect specific lands have been leased. The prospects are multi-zone, multi-well potential plays. The primary targets are high reserve potential carbonate reservoirs associated with large structural traps, which are overlain by multi-zone potential sandstone reservoirs. Prospects with unrisked pool size potential of up to 100 billion cubic feet have been identified and partially leased.

Activities conducted during 1999 included:

Arkoma Prospect #7 – the Company participated for an 11.8% interest in a successful exploration well drilled in Sequoyah County, Oklahoma in June. The well was placed on stream in late January and is currently producing at an average rate of 600 thousand cubic feet per day (71 net mcf/d). The Company plans to participate in the drilling of the first of up to four potential development wells on the prospect in the second half of 2000.

Arkoma Prospect #1 – the Company participated for a 22.0% interest in a high potential exploration well drilled in September. The well had log indicated pay within multiple sandstone reservoirs, however completion evaluation of four of these zones recovered only minor amounts of gas together with high volumes of fresh water.

Other Arkoma Prospects – the Company participated for its 25% in the drilling of Prospect #20 in August and its 17.5% interest in Prospect #31 in October. In addition, the Company farmed-out its 25% interest in Prospect #37 and a well was drilled at no cost to the Company in August. All three wells were abandoned after failing to find the anticipated structure.

Future Arkoma Activities – the Company remains very optimistic that significant natural gas reserves remain to be found in the Arkoma Basin. Over 14 trillion cubic feet of gas has been

found to date in the Basin and independent evaluation estimates that 20 to 50 trillion cubic feet remain to be found. High quality reservoir rock has been encountered in all of our wells drilled to date. In addition, numerous structural closures are evident on our regional seismic base and from geological well data, which provide the potential traps for hydrocarbon accumulations. However, experience gained during the 1999 drilling activities has shown that the structural configuration of the Basin is very complex and that individual lines of 2-D seismic are not sufficient to accurately define drilling targets. Future exploration prospects will require detailed 2-D seismic or preferably 3-D seismic prior to drilling. The Arkoma JV Group is currently re-evaluating all of its prospects and will select several for evaluation with new seismic data. The Company anticipates that new exploration drilling will commence in late 2000.

South Texas Project

Invader has established a second exploration area in South Texas. Like Arkoma, the area offers excellent opportunities to acquire multi-zone, natural gas prospects and has high demand and prices for gas. Invader has an agreement with Teal Energy Ltd., a Calgary based company with offices in Houston Texas, to participate in a number of development and exploration prospects.

Activities conducted during 1999 included:

South Texas Prospect #1 – the Company participated for a 4.25% interest in the drilling of an 8,500 foot exploration well located in Webb County in September. The well was cased as a successful multi-zone discovery and was subsequently completed in one of four potential pay zones. The well flowed at rates ranging from 1.5 to 2.0 million cubic feet per day (mmcf/d) plus an estimated 25 barrels of condensate per mmcf during a production test conducted in January. The operator is currently preparing to tie the well in for production and it is expected to be placed on stream in May at a rate of approximately 1.5 mmcf/d (64 net mcf/d). The Company plans to participate in the drilling of the first of up to four potential development wells on the prospect in the second half of 2000.

South Texas Prospect #2 – the Company has acquired interests ranging from 2.5% to 10.6% in a deep high potential exploration prospect located in Hidalgo County. The operator anticipates that a well will be drilled on the prospect prior to year end 2000. Invader's participation level in the drilling will depend on funds available.

Review of Operations and Financial Results

Oil production for the year averaged 14.0 bbl/d and natural gas production was 80 mcf/d. Total production averaged 22.0 boe/d (using a 10 to 1 conversion), a decline of 6.4% from the previous year. The production declines were due to natural depletion of the reserves. The average price received was $23.50 per barrel of oil, an increase of 23% from 1998 and $2.92 per mcf of natural gas, an increase of 15% from 1998.

Revenue for the year was $94,980, a decline of 23% from 1998. The majority of the reduction was related to production decline and increased operating costs associated with the Company's existing production. The Company's capital spending for the year was $393,032, a decline of 124% from 1998. The majority of this was allocated to the Arkoma Project, primarily for the drilling of exploration wells, completion operations and facilities construction. The Company had a net loss for the year of $54,976 compared to a loss of $372,411 in 1998.

During the year the Company was able to raise capital through the issue of three small equity financings. Total funds received, net of share issue costs, was $392,302 and resulted in the issuing of 1,005,575 common shares at an average price of $ 0.41 per share and 835,575 common share purchase warrants having an average exercise price of $ 0.50 per share.

Outlook For 2000

The general tone of the oil and gas sector has shown considerable improvement during 1999. Natural gas prices were strong throughout the year and oil prices more than doubled during the second half of the year. The continued strength in the US economy combined with the revival of the Asian economy makes the outlook for both oil and natural gas prices for the balance of 2000 and for the foreseeable future very positive. We are especially optimistic about natural gas prices in the US. Demand continues to increase while supplies are continuing to decline due to the depletion of existing reserves and the lack of success from new drilling. Natural gas production rates in Oklahoma, the 3rd largest gas producing state in the US, were at their lowest rate since 1933 last year and production is continuing to decline this year.

The upturn in oil price along with other commodity prices failed to rejuvenate the small cap, resource oriented equity markets here in Canada during 1999. Invader, along with many other similar companies, has been unable to raise sufficient capital to effectively evaluate the potential of our prospect base. We are hopeful that the strong financial performance of the oil and gas sector combined with the return of interest to the traditional "hard asset" industries will enable equity financing to become possible for companies like Invader during the coming year.

The Company's objective for 2000 is to develop our existing exploration successes in South Texas and Oklahoma and to continue to evaluate our land and prospect inventory. In so doing we hope to establish significant proven reserves, production and cash flow. Planned activities for 2000 include:

- Participate directly in the drilling of one or more development wells within Prospect #7 in Oklahoma and Prospect #1 in South Texas.

- Participate in the acquisition of detailed 2-D and/or 3-D seismic data over a number of the existing Arkoma Basin exploration prospects.

- Participate in the drilling of a number of lower risk, lower cost exploration prospects in Arkoma or South Texas.

Funding for these lower cost exploration and development activities will come from potential equity issues or other forms of financing. Participation in exploration wells, particularly the higher cost deeper prospects in Arkoma and South Texas, would require a larger injection of capital. The Company will attempt to develop these larger prospects by farming out all or a portion of the seismic and initial drilling costs. Potential drilling participants are currently reviewing a number of the prospects.

In conclusion, I would like to thank the loyal Shareholders of Invader for their continued confidence and support. The Company has no debt, revenue flow from a growing production base that pays for corporate administration and an inventory of exploration and development prospects located on long-term leases. The management and Board of Directors of Invader are committed to the successful development of the Company and we believe the coming year will be one of improved growth for the Company.

Respectfully submitted on behalf of
the Board of Directors,

C. Kathol

Conrad Kathol, P. Eng.
President and Director
May 10, 2000

Management's Report

The accompanying consolidated financial statements of Invader Exploration Inc. and all information in this Annual Report are the responsibility of management. The financial statements have been prepared by management in accordance with generally accepted accounting principles and include certain estimates that reflect management's best judgments.

Management maintains a system of internal controls that provides reasonable assurance that all assets are safeguarded and to facilitate the preparation of relevant, reliable and timely financial information.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Committee meets periodically with management and the auditors to satisfy approval of the financial statements to the Board.

The external auditors, Davis Daignault Schick and Co., Chartered Accountants, were appointed by the shareholders and have conducted an independent examination of the financial statements. The Audit Committee, has reviewed these statements with management and the auditors, and has reported to the Board. The Board of Directors has approved the financial statements, which are contained in the Annual Report.

C. Kathol

Conrad P. Kathol

President

May 10, 2000

AUDITORS' REPORT

To the Shareholders of:
INVADER EXPLORATION INC.

We have audited the consolidated balance sheet of INVADER EXPLORATION INC. as at December 31, 1999 and 1998 and the consolidated statements of loss and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the company as at December 31, 1999 and 1998 and the consolidated results of its operations and cash flows for the years then ended in accordance with generally accepted accounting principles.

CALGARY, Alberta
April 12, 2000

Davis Daignault Schick & Co. (Signed)
CHARTERED ACCOUNTANTS

INVADER EXPLORATION INC.

CONSOLIDATED BALANCE SHEET

DECEMBER 31

	1999	1998
ASSETS		
Current		
Cash	$ 257,919	$ 118,142
Accounts receivable	32,180	229,597
Deposits and prepaids	4,335	3,465
	294,434	351,204
Investment in private companies	42,010	47,160
Capital - Note 3	2,377,357	2,033,970
	$2,713,801	$2,432,334
LIABILITIES		
Current		
Accounts payable	$ 75,076	$ 37,213
Subscription deposits	—	50,000
	75,076	87,213
Provision for site restoration	3,880	2,982
SHAREHOLDERS' EQUITY		
Share capital - Note 4	3,406,325	3,058,643
Deficit	(771,480)	(716,504)
	2,634,845	2,342,139
	$2,713,801	$2,432,334

Director: C Kathol

Director: R A McClean

INVADER EXPLORATION INC.

CONSOLIDATED STATEMENT OF LOSS AND DEFICIT

FOR THE YEARS ENDED DECEMBER 31

	1999	1998
Revenue		
Oil and gas revenue net of royalties	$ 87,993	$ 95,602
Interest	6,987	21,437
	94,980	117,039
Expenses		
Well operating	64,382	62,010
General and administrative	79,652	115,060
Depletion and amortization	5,922	312,380
	149,956	489,450
Loss before income taxes	(54,976)	(372,411)
Income taxes - Note 5	—	—
Net loss for the year	(54,976)	(372,411)
Deficit, beginning of year	(716,504)	(344,093)
Deficit, end of year	$ (771,480)	$ (716,504)
Loss per share:		
Basic	$ (0.01)	$ (0.04)
Fully diluted	$ (0.01)	$ (0.04)

INVADER EXPLORATION INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31

	1999	1998
Operating activities:		
Net loss for the year	$ (54,976)	$ (372,411)
Adjustments to reconcile income from operations to net cash provided:		
Amortization and depletion	5,025	310,880
Loss on write down of investments	—	18,862
Provision for site restoration	898	1,500
Gain on sale of investments	(2,835)	—
	(51,888)	(41,169)
Changes in operating assets and liabilities:		
Accounts receivable	197,417	42,650
Other assets	(870)	(493)
Accounts payable	37,863	(667,636)
Subscription deposits	(50,000)	50,000
Cash flows from (used in) operating activities	132,522	(616,648)
Investing activities:		
Proceeds of sale of investments in private companies	7,985	—
Purchase of capital assets	(393,032)	(879,008)
Investment in private companies	—	(57,749)
Cash flows used in investing activities	(385,047)	(936,757)
Cash flows from financing activities:		
Proceeds of share issue	392,302	34,024
Net increase (decrease) in cash	139,777	(1,519,381)
Cash, beginning of year	118,142	1,637,523
Cash, end of year	$ 257,919	$ 118,142
Cash flow per share:		
Basic	$ 0.00	$ 0.00
Fully diluted	$ 0.00	$ 0.00

Note 1: Basis of presentation

These financial statements have been prepared on the going concern basis that contemplates the realization of assets and settlement of liabilities in the normal course of business.

The company's activities over the past three years have been primarily directed towards the acquisition, exploration and development of natural gas properties in Oklahoma, Arkansas and Texas. The company's primary assets are the exploration and drilling rights acquired on blocks of land in those States. The company is still assessing the potential of these blocks of land and, as such, has not attained production at commercial levels. All costs, net of revenues, are being capitalized. Realization of these assets is dependent upon the discovery of petroleum and natural gas reserves in commercial quantities and upon the company raising debt or equity financing or entering into additional joint venture agreements with third parties to provide the funds required to continue the exploration and development of this property.

Note 2: Significant accounting policies

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

a) Basis of consolidation

These consolidated financial statements include the accounts of the company and its wholly owned subsidiary, Invader Exploration Corp.

b) Petroleum and natural gas properties

i) Capitalized costs

The company follows the full cost method of accounting for oil and gas operations, whereby all costs associated with the exploration for, and development of, oil and natural gas reserves are capitalized by cost centre. The company operates in two cost centres, Canada and the United States of America. Such costs include property acquisition expenditures, geological and geophysical expenses, carrying charges of non-productive properties, costs of drilling productive and non-productive wells, and plant and production equipment costs. Financing and administrative costs are capitalized only to the extent that they are directly related to capital projects. Proceeds from the sale of any interests in oil and gas properties are applied against capitalized costs, with no gain or loss recognized, unless such a disposition would alter the rate of depletion by at least 20%.

Note 2: Significant accounting policies - continued

ii) Canadian cost centre

Costs accumulated in the Canadian cost centre are depleted using the unit-of-production method based on estimated net proven reserves, as determined by the company and reviewed yearly by independent consulting engineers. Natural gas production and reserves are converted to equivalent units of measure using a relative energy content.

The company applies a ceiling test to the costs of developed properties to ensure that capitalized costs (net of accumulated depletion) do not exceed the estimated future net revenues from production of proven reserves less estimated future administrative, financing and income tax costs. Future net revenues are based on prices and costs prevailing at the year end.

iii) United States cost centre

Activities in the United States are in the pre-production stage as exploration and early development continues to determine if reserves in economic quantities can be extracted. Accordingly all costs incurred in this cost centre have been capitalized. Depletion of these costs will not commence until production at economic levels has been attained.

The company annually reviews the capitalized costs associated with this cost centre to determine whether they are permanently impaired.

When costs are not likely to be recovered, a provision for impairment is made.

Unimpaired costs associated with the acquisition and evaluation of significant unproved properties are excluded from amounts subject to the ceiling test.

c) Other capital assets

Amortization of other equipment is provided using the declining balance method at rates ranging from 20% to 30% per annum.

d) Future site restoration costs

Future site restoration and reclamation costs are amortized using the unit of production method. These costs are based on management's estimates of the anticipated costs of site restoration net of expected recoveries. Removal and site restoration costs will be charged against the accumulated provision as incurred.

e) Measurement uncertainty

The amounts recorded for depletion and amortization of capital assets and the provision for future site restoration costs, are based on estimates of reserves and future costs. By their nature, these estimates and those related to future cash flows used to assess impairment, are subject to measurement uncertainty and the impact on future financial statements resulting from changes in such estimates could be material.

Note 2: Significant accounting policies - continued

f) Joint ventures

Substantially all of the company's oil and gas related activities are conducted jointly with others and, accordingly, these consolidated financial statements reflect only the company's proportionate interest in such activities.

g) Foreign currency translation

Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange in effect at the year-end. Non-monetary assets and liabilities are translated at historic rates of exchange. Revenues and expenses are translated at average rates of exchange in effect during the year. Translation gains and losses are included in earnings except for unrealized gains and losses on non-monetary assets and liabilities that are deferred and amortized to earnings over the life of the related asset or liability.

h) Investments

Long-term investments are carried at cost less permanent declines in value.

i) Deferred income taxes

The company follows the deferral method of tax allocation accounting under which the provision for corporate income taxes is based on the earnings reported in the accounts adjusted for timing differences between the financial statement income and taxable income.

j) Earnings and cash flow per share

Earnings per share amounts have been computed using the weighted average number of shares outstanding during the year. A fully diluted earnings per share assumes the exercise of all options and convertible debentures.

k) Financial instruments

The company's financial instruments are comprised of cash, accounts receivable, deposits and prepaids, accounts payable and accrued liabilities and subscription deposit.

i) Fair value of financial assets and liabilities

The fair values of financial instruments approximate their carrying amount due to the short term maturity or capacity for prompt liquidation.

ii) Credit risk

Virtually all of the company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

Note 3: Capital assets

i) 1999

	Cost	Accumulated Amortization	Net Book Value
Oil and gas properties	$3,042,642	$ 670,945	$2,371,697
Other equipment	9,808	4,148	5,660
	$3,052,450	$ 675,093	$2,377,357

ii) 1998

	Cost	Accumulated Amortization	Net Book Value
Oil and gas properties	$2,696,970	$ 667,780	$2,029,190
Other equipment	7,068	2,288	4,780
	$2,704,038	$ 670,068	$2,033,970

During the year ended December 31, 1999, the company capitalized $55,861 (1998 - $84,538) of general and administrative expenditures relating to exploration and pre-production activities.

The cost of unproved properties excluded from the depletion base as at December 31, 1999 was $2,364,259 (1998 - $1,971,838).

1998 depletion includes a write-down of $255,000 resulting from the application of the ceiling test described in Note 2 b) ii).

Note 4: Share capital

a) Authorized:

Unlimited number of common shares without nominal or par value
Unlimited number of preferred shares without nominal or par value

b) Issued:

	Number of Shares	$
December 31, 1997	9,210,898	$3,024,619
Transactions during 1998		
Shares cancelled	(1,134,298)	—
Private placement issue	80,000	40,000
Share issue costs	—	(5,976)
December 31, 1998	8,156,600	3,058,643

Note 4: Share capital - continued

Transactions during 1999		
Issue of flow-through shares, net of estimated tax benefit	250,000	55,380
Private placement issue	755,575	312,230
Share issue costs	—	(19,928)
December 31, 1999	9,162,175	$3,406,325

c) Escrow

3,681,628 (1998 – 3,681,628) of the issued shares are subject to escrow trading restrictions.

d) Stock options and warrants

The following stock options and warrants are outstanding to certain officers, directors, employees and consultants as of December 31, 1999:

i) Stock options:

Balance December 31, 1998	Exercise Price	Expiry Date	Issued	Expired	Balance December 31, 1999
-	$0.45	July 7, 2001	85,000	-	85,000
80,000	$0.45	Oct. 9, 1999	-	(80,000)	-
659,060	$0.75	June 15, 2002	-	(609,060)	50,000
-	$0.45	May 10, 2004	694,060	-	694,060
739,060			779,060	(689,060)	829,060

ii) Warrants:

Balance December 31, 1998	Exercise Price	Expiry Date	Issued	Expired	Balance December 31, 1999
100,000	$0.75	May 30, 1999	-	(100,000)	-
80,000	$0.75	Dec. 31, 1999	-	(80,000)	-
-	$0.50	Dec. 8, 2000	180,000	-	180,000
-	$0.50	June 14, 2000(iii)	275,000	-	275,000
-	$0.50	Oct. 7, 2000(iii)	18,075	-	18,075
-	$0.50	Oct. 14, 2000(iii)	362,500	-	362,500
-	$0.45	Sept 14, 2000	100,000	-	100,000
180,000			935,575	(180,000)	935,575

iii) Stock purchase warrants exercisable at $0.50 until June of 2000 and October of 2000 may be exercised at $0.60 until June of 2001 and October of 2001 respectively.

Note 4: Share capital - continued

e) Flow-through shares

On September 30, 1999, the company completed the private placement of 250,000 flow-through Class “A” common shares at $0.40 per share. The paid up amount for flow-through shares and the cost of petroleum and natural gas properties were reduced by the estimated amount of the tax benefits renounced.

Note 5: Income taxes

As at December 31, 1999, the company and its subsidiaries have accumulated losses for Canadian income tax purposes of approximately $170,628 and losses for United States income tax purposes of approximately $1,370,558, the related benefits of which have not been recognized in the consolidated financial statements. Unless sufficient taxable income is earned by the company and its subsidiaries, these losses will begin to expire in 2003.

Note 6: Segmented information

The company is involved in the acquisition, exploration, development and production of petroleum and natural gas resources in Canada and the United States of America. Assets and operations by geographic region are as follows:

	1999 Canada	1998 Canada	1999 United States	1998 United States
Revenue	$ 94,980	$ 117,039	$ —	$ —
Operating loss	(54,976)	(372,411)	—	—
Identifiable assets	197,437	266,540	2,516,364	2,165,794
Capital expenditures	2,939	38,127	392,420	840,881

Note 7: Related party transactions

Consulting fees of $nil (1998 - $15,592) were paid to a company in which the president was a sole shareholder.

Note 8: Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Note 9: Uncertainty due to the year 2000 issue

The year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not responsible to conclude that all aspects of the year 2000 issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

CORPORATE INFORMATION

OFFICERS AND DIRECTORS

Conrad P. Kathol – President and Director

Robert A. McPherson - Director

Edward S. Sampson - Director

HEAD OFFICE – CALGARY ALBERTA

1980, 700 – 4 Ave., S.W. T2P 3J4
Tel: (403) 264-7755 Fax: (403) 263-2686
Email: invader@invaderexploration.com
Web Site: www.invaderexploration.com

BANKERS

Royal Bank of Canada

SOLICITOR

Gregory C Collver and Paul D Trotter

AUDITORS

Davis, Daignault, Schick & Co.

REGISTRAR & TRANSFER AGENT

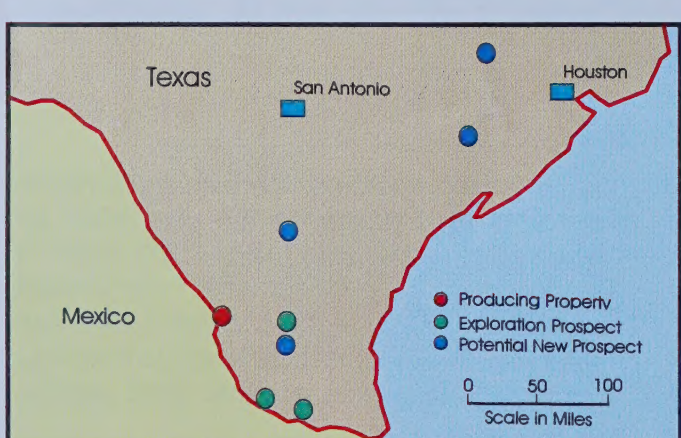
Montreal Trust Company of Canada

STOCK EXCHANGE LISTING

Canadian Venture Exchange: Symbol – INX

CORPORATE SHARE INFORMATION

Total Issued Common Shares	**9,162,175**
Warrants Outstanding	**935,575**
Options Outstanding	**829,060**
Fully Diluted Common Shares	**10,926,810**
Management Ownership	**> 60%**
Current Price Range:	**$0.15 to $0.30**
52 Week: High $0.75	**Low $0.12**



Location Map of Prospects in South Texas

MANAGEMENT PROFILE

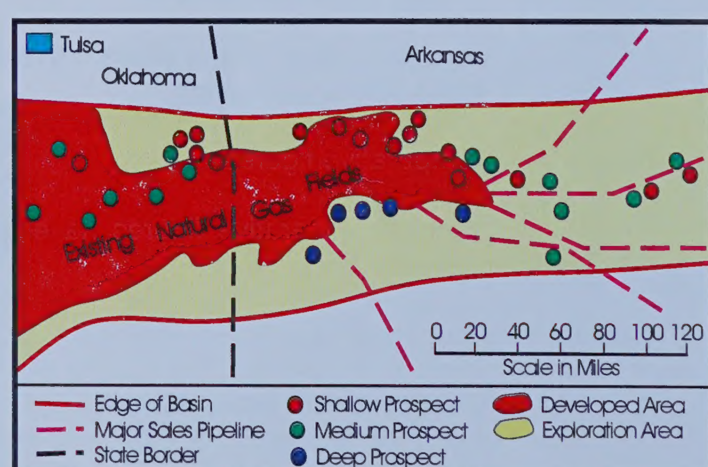
CONRAD P. KATHOL: Mr. Kathol, the President, Secretary and a Director of the Corporation, was the founder of Invader and President of the Company since inception. Mr. Kathol is a Professional Engineer with 29 years of experience in the oil and gas industry working as a geologist, engineer and in senior management. Mr. Kathol is a director of several other public companies that are involved in oil and gas and mineral development throughout the world.

EDWARD S. SAMPSON: Mr. Sampson, a founding Director of the Company, has initiated and managed a series of successful business operations focused primarily on oil and gas exploration and development over the past 24 years. He is currently the Executive Chairman and a major shareholder of Niko Resources Ltd., a highly successful international exploration company with operations focused in India.

ROBERT A. McPHERSON: Mr. McPherson, a founding Director of the Company, has a doctorate degree in geology and is also a Professional Engineer with 32 years of oil and gas related experience. Mr. McPherson is the President and a major shareholder of Hampton Court Resources Inc., a Canadian Venture Exchange listed public company, which is active in international oil and gas and mineral exploration.

ROBERT R. HOBBS: Mr. Hobbs, a Financial Advisor to the Corporation, is a Certified Management Accountant who has been active in the oil and gas sector for 32 years and has extensive financial management experience.

JEAN PAUL ROY: Mr. Roy, a Technical Advisor to the Company, is a graduate geologist and a Professional Geophysicist who has worked for 17 years on the evaluation of international exploration and field development projects.



Location of 35 Exploration Prospects in the Arkoma Basin